

Attorney Docket No.: 10487-1
Serial No. 09/491,747

REMARKS

This is a full response to the outstanding final Office Action, dated December 23, 2003.

1. Interview Summary

The Applicant thanks the Examiner and the Primary Examiner for the courtesy extended to Applicant and his counsel in the January 28, 2004 interview. In the interview, the merits of the rejections of the case were discussed. Specifically, the invention was discussed in view of the new rejections of the claims over U.S. Patent No. 5,835,896 (*Fisher*), and *Fisher* in combination with U.S. Patent No. 6,269,361 (*Davis*). With respect to independent claims 1 and 11, Applicant's counsel explained that, although *Fisher* does disclose a "proxy bid" system that allows the action manager to automatically bid on the bidder's behalf, *Fisher*, even in combination with *Davis*, fails to disclose a system or method which checks for whether a bidder's bid is too high for a specific position of priority or ranking that a bidder wishes to maintain in an auction. Further, *Fisher* and *Davis*, alone or in combination, fail to disclose a system or method which automatically decrements or lowers a bid if the bid is found to be higher than needed to maintain a selected position of priority or ranking in an auction.

Applicant's counsel explained that this feature has particular significance in continuous type auctions, such as in search engines where bidder's bid on advertising rankings for terms. In non-continuous auctions, bidding occurs for a set period until a product is sold. In continuous auctions, bidding continues indefinitely. In the search engine example, payments may be assessed at the bid price every time a search engine user clicks on the bidder's search engine listing, or every time the bidder's listing is

Attorney Docket No.: 10487-1
Serial No. 09/491,747

included in a search. Even though savings are realized in a non-continuous auction using the bid-reducing feature of the present invention, in the continuous auction context, savings may be even more pronounced as payments accumulate over time.

Applicant's counsel further explained that, while it is possible in the *Davis* system to manually check a bid position or ranking (see Col. 19, ll. 38-58), the *Davis* system does not automatically check the bidder's position. Further, *Davis* provides no means to automatically lower a bidder's bid if the bid is higher than necessary to maintain the desired position or ranking for the bidder. Again, especially in the continuous auction context, it would be very time consuming for a bidder to constantly check to see if their bid is at the minimum necessary to maintain their priority position using the *Davis* system, even in view of the newly cited *Fisher* system, which does not have any means for automatically checking and lowering a bidder's bid if the bid is higher than necessary. Without such a feature, if the bidder does not constantly take the time to perform this check, then the bidder may pay considerably more than is necessary to maintain their position.

Applicant's counsel stated that Applicant would be willing to amend claims 1 and 11 to include the feature of automatically reducing a bid if the bid is found to be higher than needed to maintain a selected position of priority in the auction.

With respect to claim 23, Applicant explained that *Fisher* and *Davis*, individually, combined, or in combination with the other cited art, fail to disclose a system for automatically managing bids in an auction in which vendors complete for selling products or services to buyers. The invention of claim 23 provides a system in which a vendor is able to provide information for the system to automatically submit bids for

Attorney Docket No.: 10487-1
Serial No. 09/491,747

selling, which are automatically lowered if the vendor does not have the desired priority for selling.

With respect to claims 24-25, the Examiners imposed a Restriction Requirement. Applicant's counsel traversed and elected to prosecute claims 1-23 in this application, while reserving the right to re-submit claims 24-25 in a divisional application, as explained above.

2. Present Status Of The Claims

After the Election Of Claims explained above, and entry of the amendments made herein, claims 1-23 and 26-27 remain pending in the Application. The Applicant has amended independent claims 1 and 11 as discussed with the Examiners. Dependent claims 26 and 27 have been added, which each depend on independent claims 1 and 11 respectively. Additionally, the Applicant herewith submits remarks specifically responding to the rejections raised by the Examiner in the pending Office Action. It is believed that no new matter has been added to the Application.

3. Summary Of The Rejections

The pending Office Action contains a new rejection of claims 1-2, 11-13 and 23 under 35 U.S.C. §102 over U.S. Patent No. 5,835,896 (*Fisher*). The pending Office Action contains a new rejection of claims 4-8 and 14-20 under 35 U.S.C. §103(a) as being unpatentable over *Fisher* in view of U.S. Patent No. 6,269,361 (*Davis*). The pending Office Action further contains a new rejection of claims 9-10 and 21-22 under 35 U.S.C. §103(a) as unpatentable over *Fisher* in view of U.S. Patent No. 6,601,044 (*Wallman*).

Applicant respectfully traverses these rejections and submits the following

Attorney Docket No.: 10487-1
Serial No. 09/491,747

remarks in support of allowance of the present application.

4. Response To Rejections Of Claims 1-3, 11-13 Under 35 U.S.C. §102.

The Office Action contains rejections of claims 1-3 and 11-13 under 35 U.S.C. §102 as anticipated by *Fisher*. Claims 1 and 11 are independent, claims 2-3 depend from claim 1 and claims 12-13 depend from claim 11. For brevity, and because the Applicant's arguments against the rejection of claims 1-3 and 11-13 as being anticipated by *Fisher* are equally applicable for all of these claims, the Applicant uses independent claim 1 as illustrative of the response for all of currently pending claims 1-3 and 11-13. Furthermore, the traversal is made with the understanding that independent claim 11 and dependent claims 2-3 and 12-13 are also patentably distinct over the prior art and may include additional features that, beyond those recited in claim 1, provide further, separate, and independent bases for patentability.

Independent claims 1 and 11 have been amended as discussed with the Examiners in the January 28, 2004 Interview. Applicant has amended those claims to add the feature of automatically reducing a bidder's bid to a minimum which allows the bidder to keep a selected position of priority if the bid exceeds a value needed to maintain the selected position of priority. Support for this added limitation is found in the specification. (See e.g., p. 6, ll. 15-19).

As Applicant's counsel explained in the January 28, 2004 Interview, although *Fisher* does disclose a "proxy bid" system that allows the action manager to automatically bid on the bidder's behalf, *Fisher* (alone and in combination with *Davis* or the other cited art) fails to disclose a system or method which checks for whether a bidder's bid is too high for a specific position of priority or ranking that a bidder wishes

Attorney Docket No.: 10487-1
Serial No. 09/491,747

to maintain in an auction (See e.g. Fisher, Col. 9, ll. 17-35). Further, *Fisher* (alone and in combination with *Davis* or the other cited art) fails to disclose a system or method which automatically decrements or lowers a bid if the bid is found to be higher than needed to maintain a selected position of priority or ranking in an auction.

This feature has particular significance in continuous type auctions, such as in search engines where bidders bid on advertising rankings for terms. In non-continuous auctions, bidding occurs for a set period until a product is sold. In continuous auctions, bidding continues indefinitely. In the search engine example, payments may be assessed at the bid price every time a search engine user clicks on the bidder's search engine listing, or every time the bidder's listing is included in a search. Even though savings are realized in a non-continuous auction using the bid-reducing feature of the present invention, in the continuous auction context, savings may be even more pronounced as payments accumulate over time.

As Applicant's counsel further explained in the January 28 Interview, while it is possible in the *Davis* system to manually check a bid position or ranking (see Col. 19, ll. 38-58), the *Davis* system does not automatically check the bidder's position. Further, *Davis* provides no means to automatically lower a bidder's bid if the bid is higher than necessary to maintain the desired position or ranking for the bidder. Again, especially in the continuous auction context, it would be very time consuming for a bidder to constantly check to see if their bid is at the minimum necessary to maintain their priority position using the *Davis* system, even in view of the newly cited *Fisher* system, which does not have any means for automatically checking and lowering a bidder's bid if the bid is higher than necessary. However, if the bidder does not constantly take the time to

Attorney Docket No.: 10487-1
Serial No. 09/491,747

perform this check, then the bidder may pay considerably more than is necessary to maintain their position.

In light of the above, Applicant believes that the §102 rejection of independent claims 1 and 11 has been traversed, and amended claims 1 and 11 are in condition for allowance. Dependent claims 2-3 and 12-13 depend from claim 1 and 11 respectively, and therefore those claims are in a condition for allowance as well. However, applicant reserves to right to argue independent bases for patentability for claims 2-3 and 11-13 should it be necessary.

5. Response To Rejection Of Claim 23 Under 35 U.S.C. §102.

The Office Action contains a rejection of claim 23 under 35 U.S.C. §102 as anticipated by *Fisher*. As Applicant's counsel explained in the January 28, 2004 Interview, *Fisher* and *Davis*, alone and in combination, or in combination with any other cited art, fail to disclose a system for automatically managing an auction in which vendors complete for selling products or services to buyers. The invention of claim 23 provides a system in which a vendor is able to provide information for the system to automatically submit bids for selling, which are automatically lowered if the vendor does not have the desired priority for selling. Therefore, applicant respectfully submits that claim 23, in its present form, should be allowed.

6. Response To Rejections Of Claims 4-8 And 14-20 Under 35 U.S.C. §103(a).

The Office Action contains rejections of dependent claims 4-8 and 14-20 under 35 U.S.C. §103(a) as unpatentable over *Fisher* in view of *Davis*. Claims 4-8 depend from claim 1, and claims 14-20 depend from claim 11. Therefore, each of claims 4-8 and 14-20 contain the limitations of claims 1 and 11 respectively. Although, claims 4-8 and 14-

Attorney Docket No.: 10487-1
Serial No. 09/491,747

20 may include additional features that, beyond those recited in claims 1 and 11, provide further, separate, and independent bases for patentability, claims 4-8 and 14-20 are allowable for at least the same reasons that claims 1 and 11 are allowable. However, applicant reserves the right to argue independent bases for patentability for claims 4-8 and 14-20 should it be necessary.

7. Response To Rejections Of Claims 9-10 And 21-22 Under 35 U.S.C. §103(a).

The Office Action contains rejections of dependent claims 9-10 and 21-22 under 35 U.S.C. §103(a) as unpatentable over *Fisher* in view of *Wallman*. Dependent claims 9-10 and 21-22 contain all of limitations of independent claims 1 and 11 from which they respectively depend. As described above regarding *Davis* and *Fisher*, the cited art, including *Wallman*, fails to teach all of the elements of independent claims 1 and 11. Thus, although dependent claims 9-10 and 21-22 contain independent basis for patentability, those claims are allowable for at least the same reasons that claims 1 and 11 are allowable as described above. However, applicant reserves the right to argue the independent bases for patentability for claims 4-8 and 14-20 should it be necessary.

8. Allowability Of New Claims 26-27.

New dependent claims 26 and 27 contain all of limitations of independent claims 1 and 11 from which they respectively depend. Although dependent claims 26 and 27 may contain independent basis for patentability, those claims are allowable for at least the same reasons that claims 1 and 11 are allowable as described above. However, applicant reserves the right to argue the independent bases for patentability for claims 26-27 should it be necessary.

Attorney Docket No.: 10487-1
Serial No. 09/491,747

Support for newly added claims 26 and 27 is found in the specification. (See e.g. p. 6, ll. 15-19). Therefore, Applicant submits that those new claims add no new matter to the application.

Attorney Docket No.: 10487-1
Serial No. 09/491,747

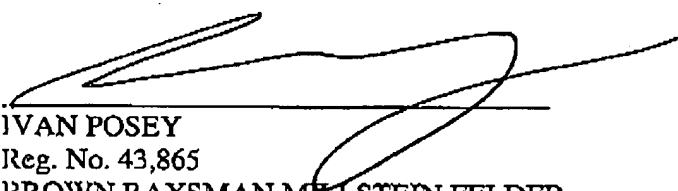
CONCLUSION

Applicant has made an earnest and bona fide effort to clarify the issues before the Examiner and to place this case in condition for allowance. In view of the foregoing discussions, it is clear that the cited art, individually or in combination, does not teach all of the elements of any claim of the present invention. Thus, the claimed invention is patentably distinct over the prior art. Therefore, reconsideration and allowance of all of claims 1-23 and 26-27 is believed to be in order, and an early Notice of Allowance to this effect is respectfully requested.

If the Examiner should have any questions concerning the foregoing, the Examiner is invited to telephone the undersigned attorney at (310) 712-8311. The undersigned attorney can normally be reached Monday through Friday from about 9:30 AM to 5:30 PM Pacific Time.

Respectfully submitted,

Dated: February 3, 2003



IVAN POSEY
Reg. No. 43,865
BROWN RAYSMAN MILLSTEIN FELDER
& STEINER LLP
1880 Century Park East, Suite 711
Los Angeles, California 90067
(310) 712-8300

IMP